


Item No. 10.1.3
Halifax Regional Council
November 22, 2011

TO: Mayor Kelly and Members of Halifax Regional Council
Original signed by 

SUBMITTED BY: _____
Richard Butts, Chief Administrative Officer

Original Signed by _____
Mike Labrecque, Deputy Chief Administrative Officer

DATE: November 1, 2011

SUBJECT: HRM SmartTrip E-Pass – Authorization to Enter into Agreements with Employers

ORIGIN

Transportation Standing Committee approval of SmartTrip E-Pass – 2012 Pilot Project (item 7.1.1, October 27, 2011)

RECOMMENDATION

It is recommended that Halifax Regional Council:

- 1) Authorize the Director of Metro Transit to enter into Agreements, on behalf of Halifax Regional Municipality, with employers who agree to participate in the SmartTrip E-Pass program; and
- 2) Approve the program as designed and recommend it be forwarded to the 2012/13 budget process for consideration.

BACKGROUND

On October 27, 2011, the Transportation Standing Committee recommended that Regional Council approve the SmartTrip E-Pass – 2012 Pilot Project. This E-Pass is part of HRM Strategic Transportation Planning’s collaboration with employers through the SmartTrip Program to provide education, incentives and information that help increase their employee’s use of transit, cycling, carpooling, walking and tele-work. Employers offering the E-Pass to employees would first be required to sign an agreement with HRM that describes the terms and conditions of participation in the program.

DISCUSSION

As part of the implementation of the SmartTrip E-Pass, HRM will sign an agreement with each Employer that would like to offer the program. The agreement stipulates the terms and conditions of participation in the program including fee structures and payment schedules, roles and responsibilities, and timelines. The agreement was prepared by HRM Legal Services (Attachment A).

It is proposed that the Director of Metro Transit be authorized to sign these agreements on behalf of HRM. Council has previously authorized the Manager of Strategic Transportation Planning to sign MOUs with employers participating in the broader SmartTrip program (item 11.5.1, July 5 2011).

BUDGET IMPLICATIONS

Budget implications are outlined in a report from the Transportation Standing Committee, dated November 15, 2011, and attached to this report (Attachment B).

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

This report complies with the Municipality’s Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

COMMUNITY ENGAGEMENT

Community engagement has been undertaken as part of the development of the E-Pass project as described in the above report to the Transportation Standing Committee.

ALTERNATIVES

Regional Council may choose not to authorize the Director of Metro Transit to sign the agreements. This would result in having to seek Regional Council approval for the Mayor to sign each agreement. This is not recommended due to the increased administrative effort required.

ATTACHMENTS

Attachment A: Draft Agreement

Attachment B: Report from Transportation Standing Committee; SmartTrip E-Pass – 2012 Pilot Project, Dated November 15, 2011.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: David MacIsaac, Transportation Demand Management Program Supervisor, 490-1665

Report Approved by: _____
David McCusker, Manager, Strategic Transportation Planning, 490-6696

Report Approved by: _____
Peter Duncan, Manager, Asset and Transportation Planning, 490-5449

Report Approved by: _____
Phillip Townsend, Director, Planning & Infrastructure 490-7166

Financial Approval by: _____
James Cooke, CGA, Director of Finance/CFO, 490-6308

Original Signed

THIS AGREEMENT dated as of _____, 20 .

BETWEEN:

The Halifax Regional Municipality, a body corporate incorporated pursuant to the laws of the Province of Nova Scotia, (“HRM”);

- and -

[Employer Name] (hereinafter referred to as “Employer”)

WHEREAS the Smart Trip E Pass (“E-Pass”) is a discounted Metro Transit bus pass purchased by employees of the [Employer Name] through payroll deduction;

WHEREAS the Regional Council of HRM approved the entering into an E-Pass agreement as a pilot project between HRM and employers on November, [date] 2011; and

WHEREAS the Employer wants to participate in the Smart Trip Program;

NOW, THEREFORE, in consideration of the promises and mutual covenants herein contained, it is hereby agreed as follows:

Definitions

1. In this agreement:
 - (a) “Community Transit Service” means a bus service funded by a local area rate in communities outside of Metro Transit’s conventional service area;
 - (b) “Conventional Bus Pass” means the fare set, from time to time, by the Council for Conventional Service;
 - (c) “Conventional Ferry” means the ferry service provided by the HRM that operates between Downtown Dartmouth and Downtown Halifax, and between the Woodside Industrial Park and Downtown Halifax;
 - (d) “Conventional Service” means the bus service provided by the HRM except for MetroX service and MetroLink Service;
 - (e) “Council” means the Regional Council of the HRM;

- (f) “Eligible Employees” means full time permanent employees of the Employer and excludes any other form of employment with the Employer including: part time employees, casual or temporary employees, independent contractors, employees employed on fixed term contracts, probationary employees, and retirees;
- (g) “MetroLink Bus Pass” means the fare set, from time to time, by the Council for the MetroLink Service;
- (h) “MetroLink Service” means that portion of the bus service provided by the HRM known as routes: 159 Portland Hills Link, 165 Woodside Link, and 185 Sackville Link;
- (i) “MetroX Service” means that portion of the Tantallon bus service provided by the HRM known as Route 33 that picks up passengers at the Hubley Centre in Tantallon and travels along the 103 highway; and
- (j) “Transit Service” means Conventional Service, MetroLink Service, MetroX Service, and Conventional Ferry.

E-Passes Generally

- 2. The parties agree that:
 - (a) subject to the terms of this agreement, an E-Pass is available to Eligible Employees; and
 - (b) there are two types of E-Passes: a Conventional Transit E-Pass, and a MetroLink E-Pass.

Term of Agreement

- 3. The parties agree:
 - (a) the term of this agreement is for [number] months commencing [month, day], 20 , and terminating at 11:59 pm on [month, day], 20 ; and
 - (b) this agreement cannot be extended or renewed.

Employer Arrangements with Eligible Employees

4. The Employer agrees to create, amend and otherwise implement any documents, contracts or policies relating to its Eligible Employees necessary to comply with the Employer's obligations under this agreement.

E-Pass Appearance

5. The parties agree HRM will determine, at its sole discretion, the form and appearance of the E-Pass and that each E-Pass must contain a photo of the Eligible Employee.

Photographs

6. HRM agrees the taking of the photograph and production of the E-Pass will be at HRM's expense.

7. (1) The Employer agrees HRM may select, at its sole discretion, any location from which to take the photographs.

(2) The Employer agrees to allow its Eligible Employee to visit these locations.

8. The Employer agrees to allow HRM, during regular business hours, to use and enter the locations the Employer owns or occupies for the purpose of taking photographs.

9. The Employer agrees to make every reasonable accommodation to HRM for the purposes of taking photographs for E-Passes including scheduling time off for its Eligible Employees during regular business hours.

Issuance of E-Pass

10. HRM agrees to issue the completed E-Passes to the Employer.

11. The Employer agrees to issue an E-Pass to each Eligible Employee within 15 calendar days of receiving the E-Passes from HRM.

12. The Employer agrees to confirm to HRM the number of Eligible Employees who have been issued an E-Pass within 20 calendar days of receipt of the E-Passes.

13. The Employer agrees that all unused, unissued or expired E-Passes must be returned to HRM.

Entitlement of Use

14. The parties agree that every E-Pass is subject to the policies and guidelines of the HRM, as amended from time to time.

15. The parties agrees:

(1) a Conventional Transit E-Pass permits the Eligible Employee unlimited travel on the Conventional Service, and a Conventional Ferry;

(2) Eligible Employees must pay an additional fare, as set by the HRM from time to time, to travel on a MetroLink Service or a MetroX Service; and

(3) Eligible Employee cannot use a Conventional Transit E-Pass to travel on a Community Transit Service.

16. The parties agree:

(1) A MetroLink E-Pass permits the Eligible Employee unlimited travel on the MetroLink Service, Conventional Service, and a Conventional Ferry;

(2) Eligible Employees must pay an additional fee, as set by the HRM from time to time, to travel on a MetroX Service;

(3) A MetroLink E-Pass may be used to travel on Conventional Transit Service without the payment of an additional fare; and

(4) A MetroLink E-Pass cannot be used to travel on a Community Transit Service.

17. The parties agree:

(1) only the Eligible Employee, whose picture and name appears on the E-Pass, may use the E-Pass; and

(2) each time an Eligible Employer uses a Transit Service, they must produce the E-Pass.

Transfer or Assignment of E-Pass

18. The parties agree an E-Pass cannot be assigned or transferred to another person.

Breaching Terms of Use

19. The parties agree the use of the E-Pass is subject to the policies and rules, including rules concerning fare abuse, as set out by the HRM from time to time.

20. The parties agree that Eligible Employees who breach any condition of the use of the E-Pass will have their E-Pass privileges revoked immediately, without notice and without rebate, and their E-Pass seized.

Amount Paid to HRM for Conventional Service E-Pass Per Eligible Employee

21. The parties agree:

(a) the annual cost of a Conventional Service E-pass is \$735 calculated as: \$840 (yearly cost of a conventional bus pass) less \$105 (HRM SmartTrip Incentive) totalling \$735; and

(b) the total yearly fee in clause (a) must be prorated over 12 months producing the monthly fee of \$61.25.

22. The Employer agrees to pay to HRM the monthly fee of \$61.25 per Eligible Employee on the first business day of each month.

23. The parties agree where the amount set by the Council for a Conventional Bus Pass is increased, the yearly cost of the Conventional Service E-Pass will be increased by the same amount and the increased monthly amount will be paid to the HRM by the Employer.

Amount Paid to HRM for MetroLink E-Pass Per Eligible Employee

24. The parties agree:

(a) the yearly cost of MetroLink Service E-Pass is \$892.50 calculated as: \$1020 (yearly cost of a MetroLink Bus Pass) less \$127.50 (HRM Smart Trip Incentive) totalling \$892.50; and

(b) the total yearly cost in clause (a) must be prorated over 12 months producing the monthly fee of \$74.38.

25. The Employer agrees to pay HRM the monthly fee of \$74.38 per Eligible Employee on the first business day of the month.

26. The parties agree where the amount set by the Council for a MetroLink Bus Pass is increased, the yearly cost of the MetroLink Service E-Pass will be increased by the same amount and the increased monthly amount will be paid to the HRM from the Employer.

Cost to Eligible Employee for Conventional and MetroLink Epass

27. (1) The Employer agrees to at least match the applicable amount of the HRM SmartTrip Incentive in sections 21 and 24.

(2) The Employer agrees that the Employer's incentive under subsection (1) must be deducted from the amount each Eligible Employee pays to the Employer.

28. The parties agree:

(1) for a Conventional Service E-Pass, where the Employer matches the HRM SmartTrip Incentive of \$105, the yearly cost to each Eligible Employee will be \$630 calculated as: \$840 (yearly cost of a Conventional Bus Pass) less \$105 (HRM SmartTrip Incentive) less \$105 (Employer incentive) totalling \$630 yearly.

(2) for a MetroLink Service E-Pass, where the Employer matches the SmartTrip Incentive of \$127.50, the yearly cost to each Eligible Employee will be \$765 calculated as: \$1020 (yearly cost of a MetroLink Bus Pass) less \$127.50 (HRM Smart Trip Incentive) less \$127.50 (employer incentive) totalling \$765 yearly.

PayRoll Deductions

29. The Employer agrees to deduct the applicable monthly E-Pass fee under section 22 and 25 from the payroll of each Eligible Employee.

30. The Employer agrees:

(1) where the Eligible Employee is paid by the Employer monthly, the Employer must deduct the applicable E-Pass fee over the 12 pay periods; and

(2) where the Eligible Employee is paid by the Employer bi-weekly or semi monthly, the Employer must deduct the applicable E-pass fee twice a month.

Balance

31. Where the full monthly amount is not deducted from an Eligible Employee, the Employer agrees to pay to HRM the amount of any discrepancy.

Interest

32. The parties agrees that HRM may, at HRM's sole discretion, charge interest on any outstanding principle balance at a rate of 4% per annum above the HRM banker's commercial prime rate if the payments are over 30 days late.

Statement

33. (1) With the monthly payment under sections 22 and 25, the Employer agrees to provide HRM with a statement, in a form acceptable to the HRM, listing all the Eligible Employees with the SmartTrip deduction.

(2) The Employer agrees the statement must be arranged alphabetically beginning with the Eligible Employees' surname followed by their given name.

Interruption of Service

34. The Employer agrees that HRM is not liable for any disruption or interruption in Transit Services.

35. The Employer agrees:

(1) HRM is not obligated to reimburse the Employer or Eligible Employees for any disruption or interruption in Transit Services; and

(2) where Transit Service is interrupted or disrupted for a (5) five consecutive calendar days, HRM may, at its sole discretion, authorize the Employer to reduce a portion of the applicable E-Pass fee from the next schedule payment for the period of interruption or disruption.

Fee Non Refundable

36. The parties agrees that an E-Pass Fee paid to HRM is not refundable.

Opting out of the E-Pass

37. Subject to this agreement, the parties agree that all Eligible Employees who receive an E-Pass from HRM must remain in the program for the entire term of this agreement.

38. The parties agree Eligible Employees may discontinue their E-Pass where the use of an E-Pass is no longer feasible because of:

(a) a change in a workplace location where the new location is not within 1 kilometer of Conventional Transit Service, MetroLink Service, or a Conventional Ferry;

(b) a change of residence where the new location is not within 1 kilometer of Conventional Transit Service, MetroLink Service, or a Conventional Ferry;

(c) a change in employment status where the employee is no longer an “Eligible Employee” including where the employee retires;

(d) the commencement of maternity leave or paternity leave;

(e) the commencement of leave due to illness where the Eligible Employee is receiving benefits under a long-term disability plan or benefits from the Worker’s Compensation Board; or

(f) any other reason acceptable, in its sole discretion, to the HRM.

39. The parties agree an E-Pass is not discontinued until the Eligible Employee returns the E-Pass to the Employer.

40. The Employer agrees that where an Eligible Employee discontinues their E-Pass, the Employer must:

(a) collect the E-Pass from the Eligible Employee;

(b) refund the unused portion of the applicable monthly E-Pass Fee; and

(c) return the E-Pass to HRM.

Verifying Identity of Users

41. The Employer acknowledges that HRM reserves the right to:
- (1) check the validity of an E-Pass and to verify the identity of the E-Pass user; and
 - (2) to deny the use of the E-Pass based on the general policies of the HRM, as amended from time to time.

Confiscation of E-Passes

42. The parties agree that HRM may confiscate any E-Pass it determines, in its sole discretion, to be used inappropriately.
43. The Employer agrees, authorizes and consents to HRM confiscating any E-Passes that HRM determines, in its sole discretion, are being misused.
44. HRM agrees to notify the Employer of any confiscated card and provide an explanation of the circumstances of the misuse.

Termination

45. The parties agree that either party may terminate this agreement on sixty (60) days written notice to the other party.

Lost or Stolen E-Pass

46. The parties agree that HRM is not responsible for a lost, stolen or damaged E-Pass.
47. The parties agree that any lost, stolen or damaged E-Pass is subject to an E-Pass replacement fee of \$50 payable to the Employer by the Eligible Employee.
48. The Employer agrees that the E-Pass replacement fee from section 47 must be submitted to HRM on the first business day of the month immediately following the payment of the replacement fee by the Eligible Employee to the Employer.
49. (1) The Employer agrees to provide HRM with a list of all the names of the Eligible Employee, who damaged, lost, or who had their E-Pass stolen.
- (2) The list must be submitted to HRM on the first business day of each month.

50. The Employer agrees not to issue a replacement E-Pass until the replacement fee is paid.

Surveys

51. The Employer agrees that HRM may provide the Employer with surveys to distribute to Eligible Employees.

52. (1) The Employer agrees to distribute the surveys to the Eligible Employer within 15 calendar days from the day the Employer receives the surveys from HRM.

(2) The Employer agrees to provide a letter with the survey encouraging Eligible Employees to complete the survey and return the completed survey to the Employer within 25 calendar days from the day the Employer receives the surveys from HRM.

(3) The Employer agrees to collect all the completed surveys and forward them to HRM within 30 calendar days from the day the Employer received the surveys from HRM.

53. HRM agrees to be responsible for the cost of producing the surveys and for the cost of providing the surveys to the Employer.

54. The Employer agrees to be responsible for any cost relating to: (a) the distributing of the surveys to its Eligible Employees, (b) the collection of the surveys from Eligible Employees, and (c) returning the surveys to HRM.

Dispute resolution

55. In the event of any dispute between the parties concerning any matter relating to this agreement, the parties agree that such dispute will be resolved in accordance with the following procedure:

(a) The Director of Metro Transit and the Employer will meet in person or via teleconference within ten (10) days of either party serving notice on the other of a dispute;

(b) If the parties are unable to resolve the dispute, either party may serve notice of mediation on the other;

(c) Within thirty (30) calendar days of delivery of the notice of mediation, HRM and the Employer will appoint a mediator acceptable to both of them;

(d) If the mediator is unable to resolve the dispute within thirty (30) calendar days after his or her appointment, or within such further period agreed to by both parties, the mediator must terminate the mediation by giving written notice to both parties;

(e) If a dispute cannot be resolved by mediation pursuant to paragraph (d), the parties agree to proceed to an arbitration before a single arbitrator in Halifax, in accordance with the *Commercial Arbitration Act* (Nova Scotia); and

(f) All costs incurred for mediation or arbitration under this Section shall be shared equally by the parties but the parties shall be responsible for their own legal fees and disbursements, expert fees, travel and accommodation and other similar expenses associated with the mediation or the arbitration.

Liability

56. The Employer hereby releases the HRM, its officers, employees, or agents from all loss, damage, or injury whatsoever, whether caused by negligence or otherwise, from the creation or use of the E-Pass.

57. The Employer agrees that HRM shall not be liable for:

(1) any incidental, indirect, special or consequential damages, including loss of use, revenues, profits or savings, resulting from the use or creation of the E-Pass even if HRM knew or should have known of the possibility of such damages or injuries; and

(2) any claims, demands, or actions against the HRM by any person, corporation, or other legal entity resulting from the use or creation of the E-Pass.

58. The Employer agrees to hold harmless HRM from any or all liability for all loss, damage or injury to persons or property arising from or related to the creation or use of the E-Pass.

Protection of Privacy

59. The Employer acknowledges any information obtained by the HRM is subject to Part XX (Freedom of Information and Protection of Privacy) of the *Municipal Governments Act*, SNS 1998 c. 18, as amended.

60. The Employer agrees it has complied with all the privacy laws that may be applicable due to this agreement, including obtaining any consents from Eligible Employees which may be required.

General

61. The parties agree that any headers in this agreement are for reference purposes only and are not to be used to interpret any part of this agreement.

62. The parties agree this agreement constitutes the entire agreement between them with respect to all matters herein, and except as herein provided, no subsequent alteration, amendment, change, or addition to this agreement shall be binding on the parties unless reduced in writing and signed by them.

63. The parties agree this agreement and everything else herein contained, including all schedules, will ensure to the benefit of and be binding upon the parties hereto and each of their respective successors, heirs and permitted assigns.

64. The parties agree that if a term, covenant or condition of this agreement, or the application thereof to any person or circumstances is held to any extent to be invalid or unenforceable, the remainder of this agreement, the application of the term, covenant or condition to persons or circumstances other than those as to which is held invalid or unenforceable will not be affected and will remain in full force and effect.

65. The parties agree that nothing contained in this agreement shall be considered to constitute a joint venture, agency, partnership, or trust relationship between the parties.

66. The parties agree that this agreement shall be construed and governed by the laws of the Province of Nova Scotia.

67. The parties agree that:

(a) Any notice required to be given under this agreement must be in writing

(b) Notice is deemed to have been made on the day upon which such notice is hand delivered or faxed, or if mailed, then on the third business date following the date of mailing; and

(c) Notice will be delivered to:

Employer

[Contact name]

[Address]

HRM

[Contact Name]

[Address]

Phone:

Fax:

Phone:

Fax

IN WITNESS WHEREOF the parties hereto have executed this agreement on the ___ day of [month, day], 20 .

EMPLOYER NAME

HALIFAX REGIONAL MUNICIPALITY

PER

PER

Name:

Name:

Title:

Director of Metro Transit

PER

Name:

Title:

**Transportation Standing Committee
October 27, 2011**

TO: Chair and Members of Transportation Standing Committee

Original Signed by Director

SUBMITTED BY: _____
Phillip Townsend, Director, Planning & Infrastructure

DATE: October 3, 2011

SUBJECT: SmartTrip E-Pass – 2012 Pilot Project

ORIGIN

Halifax Regional Council approval in principle of:

1. Metro Transit Five-year Strategic Operations Plan (February 9, 2010; item 12.5)

Halifax Regional Council and Transportation Standing Committee approval in principle of:

2. Transportation Demand Management Functional Plan (March 15, 2011; item 11.2.2)
3. HRM SmartTrip Program (July 5, 2011; item 11.5.1)

RECOMMENDATION

It is recommended that Transportation Standing Committee recommend to Regional Council approval of a new employer-based annual transit pass fare medium called SmartTrip E-Pass pilot project in the 2012/2013 fiscal year, as described in the Budget Implications section of this report.

BACKGROUND

As part of the implementation of the Transportation Demand Management Functional Plan, HRM Strategic Transportation Planning has been working with employers through the SmartTrip Program to provide education, incentives and information that help increase their employee's use of transit, cycling, carpooling, walking and tele-work. This is to support the Regional Plan objectives to have more commuters use sustainable transportation options, particularly for peak hour commuter trips. An Employee Transit Pass was a recommendation of both the Metro Transit Five-year Strategic Operations Plan and the Transportation Demand Management Functional Plan.

DISCUSSION

As part of the SmartTrip program, employer members are provided with services such as cycling safety training, a guaranteed-ride home program, and carpool ridematching services to encourage increased use of more sustainable transportation options. SmartTrip gives employers an opportunity to play a more active role in influencing how their employees commute to work. The SmartTrip E-Pass program main incentive is to increase transit ridership.

The SmartTrip E-Pass would be a new fare offered by Metro Transit for annual transit passes at a discounted rate to employees of workplaces that participate in the project. The program is intended to be a pilot project in 2012/13 and if approved, only 750 E-passes would be distributed. The current cost of purchasing 12 monthly MetroPasses is \$840. It is proposed to provide an annual SmartTrip E-pass for the cost of 10½ months, which equates to a discount of \$105 per year. Employers would be required to at least match the HRM discount of \$105 so that their employees would pay, at most, \$630 for the pass via payroll deduction. The SmartTrip E-Pass must be purchased for a full year and is not transferable.

The immediate financial impact of the program depends on how many SmartTrip E-passes are bought by people that currently purchase 12 monthly MetroPasses, as compared to how many new riders or occasional users that may take advantage of the program.

If only people that currently purchase 12 monthly MetroPasses convert to the E-Pass, revenue loss in 2012/13 would be \$78,750. Conversely, the program may increase revenue in the short term because it is a limited offer, and will not result in increased operating costs. For example, if all the SmartTrip passes are sold to new riders, the increase in revenue would be \$551,250. Neither of these extreme scenarios is expected, however, only 94 out of 750 SmartTrip E-passes need to be bought by new users for the program to break even.

Over time, the program would be considered successful if it increases new transit ridership by 10% of the E-passes issued. For the proposed trial period this would equate to 75 new transit users. If the pilot project is approved, staff will monitor the success of the project and return with a recommendation on continuing or modifying the program prior to the 2013/14 budget cycle.

The benefits of increasing transit ridership include:

- reduced environmental impact from greenhouse gas emissions;
- reduced peak hour congestion; and
- reduced need for road network capacity projects.

Employer-based transit passes are offered in many Canadian cities including Gatineau, Winnipeg, the Greater Toronto Area, and Vancouver. While each of these programs differ in the percentage of discount offered, the requirement for matching discounts, and some of the mechanics of program implementation, they have all been successful at attracting at least 10% new transit users within the number of passes issued. Many of them report that the employer pass, despite the discounts offered, have resulted in increased revenue as they have attracted new riders.

Employers invest in the program because it offers employee benefits that lead to increased productivity and retention, supports corporate environmental goals, and is less expensive than providing more parking.

The pilot project is aimed at leveraging interest from other businesses in HRM. Given current budget pressures, it is not being recommended that HRM participate in the pilot program for HRM employees. As the program matures and the E-pass becomes more commonplace, HRM may be in a better position to offer the pass to its workforce.

In selecting the workplace partners to participate in the 750 E-pass pilot project, attention will be given to partnering with a range of employers and focusing on workplace locations where transit capacity is available for increased rider demand.

While the program shares some objectives and similarities with the U-Pass program, it differs by making the purchase by each employee discretionary, not mandatory. In addition, the discount is significantly less with the E-Pass.

BUDGET IMPLICATIONS

As stated above, the worst case scenario for revenue loss in 2012/2013 would be if all of the 750 SmartTrip E-Passes were sold to people that currently purchase 12 monthly MetroPasses. In this case, revenue would decline by \$78,750. Any lost revenue would have to be recouped through other revenue sources or possible internal efficiencies.

The impact on revenue depends on the number of non-transit users and occasional transit users who purchase the SmartTrip E-Pass. Only 94 of the 750 E-passes need to be sold to non-transit users to have no net impact on revenue in 2012/13. This is a likely scenario based on the results of employer-based transit passes in other Canadian jurisdictions.

Dalhousie University, who have already indicated an interest in participating in the pilot program, have agreed to help mitigate the risk of a revenue loss by ensuring that at least 10% of their E-passes will be reserved for new transit riders.

If the pilot program is successful, staff will return to Regional Council with a recommendation to make the E-Pass permanent as described in paragraph five of the discussion section, and the SmartTrip discount will form part of the Metro Transit fee structure that is reflected in future operating budgets.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

COMMUNITY ENGAGEMENT

Although no community engagement specific to the SmartTrip E-Pass has been undertaken, consultation was a key part of the Metro Transit Five-year Strategic Operating Plan. Stakeholder consultation specific to the SmartTrip E-Pass has taken place with current SmartTrip workplace partners, and through a focus group session arranged by the Halifax Chamber of Commerce.

ALTERNATIVES

1. The committee may choose to not support this new pilot fare offering. This would likely hinder the success of the overall SmartTrip program as transit is considered the key modal shift opportunity. This is not recommended for the reasons outlined in this report.
2. The committee may also choose to recommend a higher or lower discount for the SmartTrip E-Pass. A higher discount would be a more positive step in increasing transit ridership for commuting but may result in reduced revenue. A lower discount, while reducing the risk of revenue loss, would make the offering less attractive to SmartTrip participants and their employees.

ATTACHMENTS

There are no attachments.

